

SEP 27 2002

STATE OF ARIZONA
DEPARTMENT OF INSURANCE

DEPT. OF INSURANCE
BY B

In the Matter of:

CARL ARNAL; ADAN MARIN ALLEN;
SAGUARO PUBLIC ADJUSTERS, INC.;
THE CONSORTIUM OF PUBLIC
ADJUSTERS,
Respondents.

Docket No. 02A-038-INS

CONSENT ORDER

On July 1, 2002, the State of Arizona, Department of Insurance (the "Department"), issued an Order Summarily Suspending Licenses and Notice of Hearing of Carl Arnal ("Arnal"); Adan Marin Allen ("Allen"); Saguaro Public Adjusters, Inc. ("Saguaro"); and The Consortium of Public Adjusters (the "Consortium Respondents"). Allen wishes to resolve this matter without the commencement of formal proceedings, and admits the following Findings of Fact are true and consents to entry of the following Conclusions of Law and Order.

FINDINGS OF FACT

1. Adan Marin Allen ("Allen") is licensed as an insurance adjuster with the State of Arizona, license number 45941. This license expires October 31, 2002.

2. Oxford Adjustment Company, Inc. ("Oxford") is not a foreign or domestic corporation qualified to do business in the State of Arizona. Oxford is also not currently, nor has it ever been, licensed as an adjuster in this state. Allen is "President" of Oxford.

3. On or about January 2, 2001, Scott Carpenter ("Carpenter") sustained fire damage to his home. Carpenter was insured by Allstate Insurance Company for the loss.

4. On or about January 4, 2001, Carpenter contacted Allen and Carpenter executed an "Adjuster's Authorization" with the Consortium. Allen is an agent for Consortium. In exchange for the Consortium's services of investigating, negotiating and adjusting the settlement of Carpenter's claim, the Consortium would receive 10% of any amount recovered from the insurer.

5. Also, on or about January 4, 2001, Allen sent two letters on Carpenter's behalf to Allstate advising the claims representative that "any and all communication, correspondence and/or contact must be direct and through this office" and "demand is herewith made upon you to include the

1 name of the Consortium Public Adjusters as payee on any and all drafts and/or checks issued in
2 payment of this claim.”

3 6. On or about January 12, 2001, Carpenter entered a repair work contract with Copper
4 Canyon Custom Builders (“Copper Canyon”) for an agreed upon contract price including how
5 payments would be disbursed.

6 7. On February 6, 2001, Allstate issued claim check #74094895 for \$59,011.87. The
7 check was made payable to Carpenter, the Consortium, Copper Canyon and Chase Manhattan
8 Mortgage Corp. (“Chase”), that holds the mortgage on the fire-damaged property. Over the next eight
9 days, Allen legitimately obtained the endorsements of Carpenter and the Consortium on the check.

10 8. The Allstate check also appears to be endorsed by Chase Manhattan Mortgage.

11 9. Allen deposited the Allstate check into Oxford’s Bank One Arizona bank account.
12 Allen is the primary and only signor on Oxford’s account.

13 10. On March 6, 2001, check #1119 in the amount of \$16,720.03 was drawn on the Oxford
14 account and made payable to Copper Canyon for the first draw on the reconstruction contract. As of
15 this date, no other payments have been made to Copper Canyon under the contract and the
16 reconstruction job is only 2/3 completed despite repeated demands by Carpenter.

17 11. During a July 27, 2001 examination under oath, Allen testified that Arnal instructed
18 him to establish Oxford and open a bank account in Oxford’s name. Allen also testified that he
19 obtained Carpenter and Copper Canyon’s endorsements, but that he then gave the check to Arnal and
20 believing that Arnal was to obtain the Chase endorsement to use the funds for Carpenter’s benefit.

21 12. Upon review of the purported Chase endorsement, Chase’s loss draft analyst provided
22 an affidavit swearing that the endorsement was false and unauthorized, no other parties were
23 authorized to use the endorsement in question and that the signature affixed to the Allstate check was
24 unauthorized.

25 13. Allen transferred the remaining funds to Arnal from the Oxford account at Arnal’s
26 direction and closed the Oxford account.

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CONCLUSIONS OF LAW

1. The Director has jurisdiction over this matter.

2. Allen's conduct as alleged above constitutes a violation of any provision of this title or any rule, subpoena or order of the Director within the meaning of A.R.S. § 20-295(A)(2) and pursuant to A.R.S. § 20-321.02.

3. Allen's conduct as alleged above demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere within the meaning of A.R.S. § 20-295(A)(8) and pursuant to A.R.S. § 20-321.02.

ORDER

IT IS ORDERED:

1. Mr. Allen's public adjuster's license shall be suspended for a period of sixty (60) days. Allen's license has been summarily suspended since July 1, 2002 therefore the suspension ordered herein is deemed served. Upon execution of this Order, Allen's license is reinstated. The summary suspensions of all other Respondent's licenses remain in effect.

2. Mr. Allen shall pay restitution to Carpenter in the amount of \$10,000 to the Department within 180 days of entry of this Order. Allen's failure to comply with the restitution portion of this Order shall result in the automatic suspension of Allen's license.

3. Allen is dismissed as a party respondent in this action but will remain available to testify as a witness at the hearing in this matter scheduled for October 17, 2002 at 9:00 a.m. at the Office of Administrative Hearings, 1400 West Washington, Suite 101, Phoenix, Arizona 85007.

DATED AND EFFECTIVE this 27th day of September, 2002.



CHARLES R. COHEN, Director
Arizona Department of Insurance

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CONSENT TO ORDER

1. Respondent, Allen has reviewed the foregoing Findings of Fact, Conclusions of Law and Order.

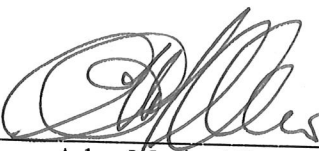
2. Respondent, Allen admits the jurisdiction of the Director of Insurance, State of Arizona and admits the foregoing Findings of Fact and consents to the entry of the foregoing Conclusions of Law and Order.

3. Respondent, Allen is aware of his right to notice and a hearing at which he may be represented by counsel, present evidence and cross-examine witnesses. Respondent, Allen irrevocably waives his right to such notice and hearing and to any court appeals relating to this Consent Order.

4. Respondent, Allen states that no promise of any kind of nature whatsoever, except as expressly contained in this Consent Order, was made to it to induce him to enter into this Consent Order, and that he has entered into this Consent Order voluntarily.

5. Respondent, Allen acknowledges that the acceptance of this Consent Order by the Director is solely to settle this matter against it and does not preclude any other agency, officer or subdivision of this state from instituting civil or criminal proceedings as may be appropriate now or in the future.

September 17, 2002
Date

By 
Adan Marin Allen

1 COPY of the foregoing mailed/hand-delivered
2 this 27th day of September, 2002, to:

3 Carl Arnal
4 10560 N. Stargazer
5 Tucson, Arizona 85737
6 Respondent

7 Carl Arnal
8 2200 E. River Road #120
9 Tucson, Arizona 85718
10 Respondent

11 Saguaro Public Adjusters, Inc.
12 2200 E. River Road #120
13 Tucson, Arizona 85718
14 Respondent

15 Saguaro Public Adjusters, Inc.
16 10560 N. Stargazer
17 Tucson, Arizona 85737
18 Respondent

19 Adan Marin Allen
20 7596 N. Mona Lisa, #3101
21 Tucson, Arizona 85741
22 Respondent

23 Adan Marin Allen
24 c/o 2200 E. River Road #120
25 Tucson, Arizona 85718
26 Respondent

27 Adan Marin Allen
3442 W. Catalope Drive
Tucson, Arizona 85741
Respondent

Adan Marin Allen
1620 East Adelaide Drive
Tucson, Arizona 85719

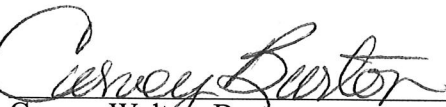
The Consortium of Public Adjusters
c/o PMB 414
7320 N. La Cholla #154
Tucson, Arizona 85741
Respondent

The Consortium of Public Adjusters
2200 E. River Road #120
Tucson, Arizona 85718
Respondent

1 Robert I. Worth, Administrative Law Judge
Office of Administrative Hearings
2 1400 West Washington Street, Suite 101
Phoenix, AZ 85007

3 Sara Begley, Deputy Director
4 Gerrie Marks, Executive Assistant for Regulatory Affairs
Mary Butterfield, Assistant Director
5 Scott Greenberg, Chief Operating Officer
Catherine O'Neil, Consumer Affairs Legal Officer
6 Arnold Sniegowski, Investigations Supervisor
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7 2910 N. 44th Street, Suite 210
Phoenix, Arizona 85018

8 Mary E. Kosinski, Assistant Attorney General
9 Arizona Attorney General's Office
1275 West Washington
10 Phoenix, Arizona 85007

11 

Curvey Walters Burton

13 752868 (CPA02-101)